

AMENDED IN SENATE APRIL 22, 2003

**SENATE BILL**

**No. 456**

**Introduced by Senator Ortiz**

February 20, 2003

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~~An act to amend Section 14825 of the Government Code, relating to the California State Contracts Register. An act to add Part 9.5 (commencing with Section 33600) to Division 12 of the Water Code, relating to the Sacramento Suburban Water District.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 456, as amended, Ortiz. ~~California State Contracts Register; fair-related contracts~~ *Sacramento Suburban Water District: board: finances.*

*(1) Existing law establishes the powers and duties of county water districts. One of those duties is to appoint an auditor or treasurer, and to retain an auditor as independent contractor to conduct an annual audit of the district's books, records, and financial affairs. Existing law requires the auditor or treasurer to install and maintain a system of auditing and accounting that completely shows the financial condition of the district.*

*This bill would require the Board of Directors of the Sacramento Suburban Water District to provide for biannual audits of the district's accounts and records, and to present the latest audit at each regularly scheduled board meeting, along with monthly financial statements of the district. The bill would require those financial statements to be available for inspection by any member of the public who resides within the jurisdiction of the district, upon request, during regular business hours. The bill would require the district to establish guidelines, by June 30, 2004, that govern the use of funds and surplus funds in the budget,*

*including both designated and undesignated reserves. The additional duties on the district by the bill would impose a state-mandated local program.*

*Existing law establishes the compensation of members of a water district board at \$100 per day for each meeting attended, not exceeding 6 per month, plus expenses incurred in the performance of his or her duties.*

*This bill would set the compensation of a member of the board of directors of the Sacramento Suburban Water District at \$1,000 per year, commencing January 1, 2004, and would provide that, commencing on that date, each member of the board shall be provided with appropriate health benefits only for the duration of his or her service on the board.*

*Under existing law, an officer of a local district board who uses public money for his or her own purposes is guilty of embezzlement, punishable by imprisonment in state prison, and is disqualified from holding office.*

*This bill would provide that if there is an administrative or judicial finding that a member of the board of, or an employee of, the Sacramento Suburban Water District, or a previously-existing water district that was subsumed into that district, has misused funds of any of those districts, that person would be required to repay the district the full amount of funds found to have been misused, plus interest, within 30 days of the finding. The bill would authorize the district to establish a schedule of fees to be charged for any late repayments of those funds. The bill would state the intent of the Legislature that penalties be established, including the dismissal of any employee or board member, against whom an administrative or judicial finding is made.*

*(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.*

*This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.*

~~Existing law requires the Department of General Services to publish, or cause to be published, the California State Contracts Register at least~~

~~twice monthly. Existing law requires that this register publish, at least twice each year, summaries of the types of fair-related contracts proposed by district agricultural associations.~~

~~This bill would instead require that the register publish, at least once each year, summaries of the types of fair-related contracts proposed by district agricultural associations.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: ~~no~~ yes.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 14825 of the Government Code is~~  
2     ~~amended to read:~~

3     ~~14825. The Department of General Services shall publish, or~~  
4     ~~shall cause to be published, the California State Contracts Register,~~  
5     ~~describing therein contracts proposed by the state.~~

6     ~~As used in this article, “contract” means an agreement entered~~  
7     ~~into by a state agency for services, which term shall be construed~~  
8     ~~to include contracts for construction or alteration of state-owned~~  
9     ~~real property.~~

10    ~~Provisions of this article do not apply to contracts for~~  
11    ~~entertainment by district agricultural associations or for their~~  
12    ~~fair-related events, except that summaries of the types of~~  
13    ~~fair-related contracts shall be published in the California State~~  
14    ~~Contracts Register at least once each year.~~

15    ~~SECTION 1. Part 9.5 (commencing with Section 33600) is~~  
16    ~~added to Division 12 of the Water Code, to read:~~

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18    ~~PART 9.5. SACRAMENTO SUBURBAN WATER DISTRICT~~

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20    ~~33600. This part applies only to the Sacramento Suburban~~  
21    ~~Water District. To the extent this part conflicts with this division,~~  
22    ~~this part shall prevail.~~

23    ~~33601. The Board of Directors of the Sacramento Suburban~~  
24    ~~Water District shall provide for biannual audits of the district’s~~  
25    ~~accounts and records. The audits shall conform to generally~~  
26    ~~accepted auditory standards. The latest audit shall be presented at~~  
27    ~~each regularly scheduled board meeting, along with monthly~~  
28    ~~financial statements of the district. Those financial statements~~  
29    ~~shall be available for inspection by any member of the public who~~

1 *resides within the jurisdiction of the district, upon request, during*  
2 *regular business hours.*

3 33602. *The Sacramento Suburban Water District shall*  
4 *establish guidelines, by June 30, 2004, that govern the use of funds*  
5 *and surplus funds in the budget, including both designated and*  
6 *undesignated reserves. Those guidelines shall clearly state the*  
7 *policy and rules that govern the source of district funds and the*  
8 *procedure for using district funds, including how funds are*  
9 *budgeted for use and how funds may be used.*

10 33603. *The Board of Directors of the Sacramento Suburban*  
11 *Water District shall establish rules that require advance approval*  
12 *for travel or for attendance at professional meetings that are*  
13 *deemed to be official business, and that prohibit monetary*  
14 *advances for that travel or attendance, but instead require*  
15 *reimbursements of expenses only upon presentation of receipts.*

16 33604. (a) *Commencing January 1, 2004, the compensation*  
17 *of a member of the Board of Directors of the Sacramento Suburban*  
18 *Water District shall be one thousand dollars (\$1,000) per year.*

19 (b) *Commencing January 1, 2004, each member of the board*  
20 *of directors shall be provided with appropriate health benefits only*  
21 *for the duration of his or her service on the board. This subdivision*  
22 *does not limit the health benefits to which former or existing*  
23 *members of the board were entitled prior to January 1, 2004.*

24 33605. (a) *If there is an administrative or judicial finding*  
25 *that a member of the Board of Directors, or an employee of, the*  
26 *Sacramento Suburban Water District, or a previously-existing*  
27 *water district that was subsumed into that district, has misused*  
28 *funds of any of those districts, that person shall be required to*  
29 *repay the district the full amount of funds found to have been*  
30 *misused, plus interest, within 30 days of the finding. The district*  
31 *may establish a schedule of fees to be charged for any late*  
32 *repayments of those funds.*

33 (b) *It is the intent of the Legislature that penalties be*  
34 *established, including the dismissal of any employee or board*  
35 *member, against whom a finding is made pursuant to subdivision*  
36 *(a).*

37 SEC. 2. *Notwithstanding Section 17610 of the Government*  
38 *Code, if the Commission on State Mandates determines that this*  
39 *act contains costs mandated by the state, reimbursement to local*  
40 *agencies and school districts for those costs shall be made*

1 *pursuant to Part 7 (commencing with Section 17500) of Division*  
2 *4 of Title 2 of the Government Code. If the statewide cost of the*  
3 *claim for reimbursement does not exceed one million dollars*  
4 *(\$1,000,000), reimbursement shall be made from the State*  
5 *Mandates Claims Fund.*

